



Congressman Jim Jordan (R-OH), Chairman

September 15, 2010

House to Consider \$5 Billion Rural Energy Savings Program Act

On **Thursday**, the House will consider the Rural Energy Savings Program Act. The bill creates a **Home Star Energy Efficiency Loan Program** and a **Rural Energy Savings Program**. The legislation authorizes a total of **\$5 billion** over five years.

The bill would authorize interest-free loans to eligible entities, such as rural cooperatives. These entities would then be required to turn around and loan the money at rates of up to 3% to consumers for approved energy efficiency measures. The legislation requires the Secretary of Energy, in consultation with the Secretary of Agriculture, to create a master list of what qualifies as “energy efficient” for purposes of receiving these loans.

Quote of the Week:

“I, however, place economy among the first and most important republican virtues, and public debt as the greatest of the dangers to be feared...”

-Thomas Jefferson

Some conservatives may be concerned that the legislation authorizes \$5 billion of new spending over five years without any offsetting reduction to existing authorized spending. In addition, the legislation creates two new programs without eliminating any of the existing federal programs that were created with similar goals in mind.

Democrats to Attach Extraneous Spending to Continuing Resolution

With only 16 days until the next fiscal year begins, Congress has yet to enact any of the 12 spending bills required to keep the government running. In fact, after passing just two of the twelve bills through the House so far, no further action on FY 2011 bills has even been scheduled.

Consequently, Congressional Democrats will need to enact a continuing resolution prior to the end of this month. House Republicans have proposed to keep the non-security bills (all except Defense, Homeland Security, and Military Construction-Veterans) at FY 2008 levels, which would save **\$98 billion** compared to the Democrat FY 2011 spending plan. Democrats are expected to reject that approach and allow spending to continue at unaffordable current levels. In addition, the continuing resolution may include the following spending increases:

- Allowing \$10 billion in unused “stimulus” money to be spent next year (the money would otherwise be returned to the Treasury);
- Extending “temporary” stimulus spending for the Department of Health and Human Services and the Social Security Administration at a cost of \$1.1 billion;
- \$1.9 billion increase for the Race to the Top program;
- \$250 million to implement the new health care law;
- \$624 million for programs related to the START Treaty;
- \$100 million for programs related to implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act; and
- A \$5.5 billion bailout of the US Postal Service.

Republicans on the House Appropriations Committee sent a letter to Chairman Obey stating, “Under this emerging scenario, we want to make our position abundantly clear: we will not support efforts to pass a CR that contains any unnecessary spending or legislative provisions unrelated to maintaining government operations.”

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